

Duplication of Benefits (DOB)

DOB Definition

DOB is the term used to describe when assistance from more than one source is used for the same purpose or activity. The purpose may be for all or a portion of the elevation project. HMGP funds cannot be used where an individual's disaster recovery or disaster mitigation needs have been or will be met through other assistance.

FEMA, the grantee (NJOEM), and sub grantee (DEP) must avoid duplication of benefits between HMGP and any other form of assistance, as required by Section 312 of the Stafford Act, and further clarified in 44 CFR 206.191. HMGP recipients should not receive money from more than one source for the same activity.

Insurance (Homeowner and NFIP)

When a property owner has an insurance policy in place covering structural damages, as well as mitigation activities which relate to the proposed HMGP project, the appropriate claims should be filed and funds received should be reported. This includes home insurance, NFIP policies, Increased Cost of Compliance (ICC) benefits, and other hazard insurance.

Insurance claims should be closed prior to the start of mitigation activities. In order to finalize insurance proceeds received, a letter should be provided stating that all claims are closed. If the insurance proceeds are spent as intended for only repairs and replacement of personal property, then they are not deducted as DOB. If however, as allowed by the insurance some of the repair funds are used toward elevation mitigation activities, then the funding used for the elevation mitigation activities must be deducted as DOB.

Increased Cost of Compliance (ICC)

Increased Cost of Compliance (ICC) insurance coverage provides for a claim payment to pay qualifying owners' costs to elevate, demolish, relocate, or flood-proof (non-residential buildings only) after a flood. The maximum amount of Increased Cost of Compliance coverage available is \$30,000. Because these are also eligible HMGP costs, the homeowner cannot receive HMGP funds for the same costs. However, if the insurance claim does not pay the total mitigation cost, an HMGP grant can pay the remainder. The Increased Cost of Compliance insurance claim payment would then be counted as cost-share.

Small Business Administration (SBA) Disaster Loans

SBA disaster loans can be allocated for both housing repairs and for mitigation. DOB should be reviewed as follows:

- SBA Disaster Loans (Mitigation): **When SBA loan funds are received by a property owner to complete a mitigation activity, HMGP funds cannot duplicate the purpose covered by the loan, nor can they be used to in the form of a grant for loan “swap” or to pay down an SBA loan.** SBA loan funds are considered to be received by the property owner when the direct loan agreement has been signed by all parties and can be verified by FEMA or through coordination with SBA.
- SBA Disaster Loans (Repairs): If the SBA loan funds are spent as intended for only repairs, then they are not deducted as DOB. If however, as allowed by SBA some of the repair funds are used toward elevation mitigation activities then the funding used for the elevation mitigation activities must be deducted as DOB.

FEMA Individuals and Households Program (IHP) Assistance

FEMA IHP assistance for repair or temporary housing are not treated as DOB unless the funds were used for mitigation activities, and or the homeowner claimed relocation expenses that were in fact covered by temporary housing assistance from IHP.

Private Non-Profit Sources

Individual donors, private foundations and voluntary agencies can provide disaster-related assistance, including temporary housing, home repairs or structural mitigation costs. The receipt of such assistance can generally be used to meet the non-Federal cost share, however depending on their intended purpose they may still be subject to DOB deduction if they cover temporary housing and cover the cost of mitigation activities.

Other

Other Federal, state and county disaster assistance programs can provide assistance for temporary housing, special needs or structural mitigation costs. The receipt of such assistance can generally be used to meet the non-Federal cost share, however, depending on their intended purpose they may still be subject to DOB deduction if they cover temporary housing costs during the mitigation activities or if they cover the cost of the actual mitigation activities.